DATA I/O STANDARD TERMS AND CONDITIONS OF SALE

(Effective January 1, 2024)

These Data I/O Standard Terms and Conditions of Sale ("Terms and Conditions") exclusively govern the sale of the Data I/O products (the "Products") and the Data I/O services (the "Services") listed on the quotation, order confirmation or invoice (collectively, the "Products and Services") to Customer by Data I/O Corporation and/or its subsidiaries, as applicable ("Data I/O"). Data I/O objects to any different or additional terms. These Terms and Conditions contain the complete and exclusive agreement between the parties and supersede any and all prior or contemporaneous proposals, negotiations, understandings, agreements and representations between the parties, whether written or oral.

1.   Orders. No order shall be binding on Data I/O unless and until accepted by Data I/O in writing in its sole discretion. Customer shall inspect all Products and Services immediately upon receipt. If Customer does not notify Data I/O in writing within ten (10) days after receipt by Customer of any defect, shortage or other failure to conform to these terms, the Products shipped and Services delivered will be deemed conclusively to have fulfilled these terms and to have been accepted by Customer as delivered.

2.   Delivery. Delivery of the Products will be ExWorks place of shipment. Data I/O may, at its option, ship the Products freight collect or may invoice Customer separately for any freight charges. Customer will bear all risks of loss or damage to the Products after delivery to the carrier. The estimated delivery dates for the Products and Services, if any, are stated in the order confirmation. If no such dates are specified, then the approximate delivery date for the Products and Services will reflect Data I/O's then-standard lead time for such Products and estimated delivery date for such Services. Data I/O will make commercially reasonable efforts to deliver the Products by such estimated delivery date; however, shipment of the Products is subject to availability and delivery of the Services is subject to any number of factors. DATA I/O HEREBY EXPRESSLY DISCLAIMS LIABILITY FOR ANY FAILURE TO MEET SUCH DELIVERY DATES.

3.   Price; Payment. Customer agrees to pay to Data I/O the purchase price and license fees for the Products and Services (the "Price"). The Price is exclusive of, and Customer agrees to pay, any applicable duties, tariffs and/or local, value added, state or federal taxes, or similar taxes which may appear as a separate item on the invoice to the extent paid by Data I/O for Customer, unless Customer provides Data I/O with an acceptable tax exemption certificate. For PSV Systems Products, Customer shall pay Data I/O twenty percent (20%) of the Price upon order confirmation, with the balance payable within thirty (30) days of shipment. Authorized Data I/O distributors with accounts in good standing, as determined by Data I/O in its sole discretion, are not required to pay the twenty percent (20%) upon order confirmation. For all other Products and Services, Customer shall pay Data I/O in full within thirty (30) days from the date of shipment or invoice date, unless otherwise agreed in writing by Data I/O. Invoices not paid when due may be subject to a late finance charge at the lesser of eighteen percent (18%) per annum or the maximum interest rate allowed by law.

4.   Software; Software License Agreement. Data I/O recommends that Customers keep their Data I/O software current and up to date. Data I/O only supports the then-current and immediately preceding versions of its software, and Customer must have paid for and have in effect a current service agreement or a maintenance agreement covering the applicable software. Any Software Products or software acquired hereunder (collectively, "Software") are licensed, not sold, to Customer under the terms of Data I/O's then-current standard license agreement for such Software ("License Agreement"), a copy of which is included with the Software or included as part of the installation of the Software, and incorporated into these Terms and Conditions. If any conflict should arise between these Terms and Conditions and the terms of the License Agreement, the License Agreement will control. Customer may not transfer, lease, rent or share its rights under the License Agreement, except Customer may permanently transfer all its rights to use the Software and documentation, provided Customer transfers the License Agreement and all copies of the Software and documentation to an end user who agrees to be bound by the terms of the License Agreement, Customer notifies Data I/O of any such transfer and Customer or the end user pays Data I/O its then-current standard transfer fee. Customer may not use the Software with a different version of the Microsoft operating system, unless Customer notifies Data I/O of the new version and Customer pays Data I/O its then-current standard upgrade fee.

5. Custom Products. Any Products to be modified to fit unique applications or needs of Customer or which are produced by Data I/O in whole or in part to Customer's specifications (as agreed to in writing by Data I/O) ("Custom Products") may be subject to the terms of a Custom Products Addendum or a separate Statement of Work ("SOW"). If any conflict should arise between these Terms and Conditions and the terms of any Custom Products Addendum or SOW, the Custom Products Addendum or SOW will control.

6. Government Contracts. Any order which indicates that it is under a government contract and which includes the specific government contract number applicable to such order may be subject to the terms of a Government Contracts Addendum. If any conflict should arise between these Terms and Conditions and the terms of a Government Contracts Addendum, the Government Contracts Addendum will control.

7. Limited Warranty. Products will be new unless otherwise stated. Customer assumes responsibility for the selection of the Products and Services to achieve Customer's intended results, and for the use of the results obtained from the Products and Services, and for the use of the results obtained from any items not supplied by Data I/O such as third party software and hardware and third-party supplied sockets. Any algorithms or adapters provided or sold by Data I/O to Customer must first be tested and verified by Customer for use in Customer's application prior to use in a production environment. DATA I/O DOES NOT WARRANT THAT THE PRODUCTS OR SERVICES WILL MEET CUSTOMER'S REQUIREMENTS OR THAT OPERATION OF THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE. **ANY BETA SOFTWARE IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AND THE ENTIRE RISK OF USING BETA SOFTWARE REMAINS WITH CUSTOMER.**

SUBJECT TO THE LIMITATIONS SET FORTH BELOW AND IN SECTION TWELVE (12) (WITH RESPECT TO EXPORTED PRODUCTS), and provided that Customer at all times remains in compliance with these Terms and Conditions, Data I/O warrants to Customer as follows: (a) Hardware - For one (1) year from delivery all standard hardware Products manufactured by Data I/O will be free from material defects in material and workmanship; (b) Software - For one (1) year from delivery, all standard Software Products and all standard software developed by Data I/O will be capable of substantially performing the functions described in the standard Data I/O user manual or documentation provided with or referenced in the Software Products or software. During the one (1) year warranty period for Software, Data I/O will use commercially reasonable efforts to correct any material bugs in the Software that are classified by Data I/O in its sole discretion as Priority 1 or Priority 2 bugs; (c) Repairs - All hardware repairs made by Data I/O will be free from material defects in material and workmanship for ninety (90) days from the date such repairs are made; (d) Custom Products - For ninety (90) days from delivery, all Custom Products will be capable of performing substantially in accordance with the applicable specifications accepted in writing by Data I/O; and (e) Services – The Services will be performed in a professional manner and, for one (1) year from performance of the Services, the Services will substantially meet the specifications for such Services as contained in Data I/O's proposal, quotation or in the applicable SOW. The foregoing warranty shall be void if the Products are not properly installed, serviced, tested, verified, used and maintained or if the Products have been damaged or modified after delivery.

AS DATA I/O'S SOLE AND EXCLUSIVE LIABILITY, AND AS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, for any breach of warranty, Data I/O shall, at its option, either replace or repair the defective part or parts of the Product or refund the purchase price for such part or parts after return of such Product by Buyer to Data I/O, or reperform the Services or refund the amount paid for such Services. For Products, Customer must first obtain a return authorization number from Data I/O. Any Products returned to Data I/O without a return authorization number will be returned to Customer freight collect. All warranty repair work shall be performed at a Data I/O facility designated by Data I/O. Shipment to Data I/O's facility shall be borne by or for the account of Buyer. Shipment from Data I/O's facility shall be paid by Data I/O.

To the extent permitted by the manufacturers of any third party products resold or sublicensed by Data I/O, Customer shall be the beneficiary of the manufacturers' warranties, if any, SUBJECT TO THE LIMITATIONS STATED THEREIN. Copies of such manufacturers' warranties are available to Customer upon request. DATA I/O MAKES NO WARRANTY WITH RESPECT TO SUCH PRODUCTS.

THE FOREGOING WARRANTY AND THE THIRD PARTY WARRANTIES, IF ANY, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR ARISING UNDER LAW, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

8.   Limitation of Liability. NEITHER DATA I/O NOR ITS SUPPLIERS SHALL UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY THIRD PARTY CLAIMS OR FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOSS OR ALTERATION OF DATA, DELAYS, OR LOST PROFITS OR SAVINGS, ARISING OUT OF ANY BREACH OF WARRANTY OR THE PERFORMANCE OR BREACH OF THESE TERMS AND CONDITIONS OR THE USE OR INABILITY TO USE THE PRODUCTS OR SERVICES, OR ANY PORTION OF THE PRODUCTS OR SERVICES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF THE LIMITED REMEDY CONTAINED IN SECTION SEVEN (7) IS FOUND TO FAIL OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL DATA I/O'S OR ITS SUPPLIER'S LIABILITY (WHETHER FOR NEGLIGENCE OR OTHER TORT, IN CONTRACT OR OTHERWISE) EXCEED THE PRICE PAID TO DATA I/O BY CUSTOMER FOR THE PRODUCTS OR SERVICES AT ISSUE UNDER THESE TERMS AND CONDITIONS.

9.   Changes and Delays; Cancellations.

(a) Changes and Delays - If a change requested by Customer and/or a delay in Customer's requested delivery schedule, through no fault of Data I/O, causes a net increase in Data I/O's cost of performing this Agreement or in the time required for performance, an adjustment in Data I/O's price and/or the time of performance shall be made on an equitable basis utilizing Data I/O's normal rates, unit prices, and periods of performance.

(b) Cancellations – Prior to shipment, Customer may cancel certain orders for Products subject to the applicable cancellation fee. No orders may be cancelled once the Products have shipped from Data I/O. Orders for Non-Recurring Engineering ("NRE"), Custom Software, SentriX® device support and SentriX® adapters and other Services are non-cancellable. The following fee schedule shall apply to cancellation of any orders:

Type of Order	Time Period	Cancellation Fee
Standard Products, including device support and standard/HIC/MIC adapters	After order confirmation and prior to shipment	20% of Price
PSV Systems Products	After order confirmation and prior to shipment	30% of Price

10.   Design Changes. Data I/O reserves the right to make changes in the design of its standard Products at any time without incurring any obligation to make equivalent changes in Products previously manufactured or shipped.

11.   Indemnification. (a) Customer shall defend, indemnify and hold Data I/O, and its employees, agents, owners, affiliates and customers, harmless from and against all claims, damages, liabilities, losses and costs (including without limitation, reasonable attorneys' fees) arising from or based upon (i) the use, sale or manufacture, by Data I/O, Customer or any third party, of any portion of the Products produced, in whole or in part, to Customer's specifications or (ii) the use of any sockets or other items not supplied by Data I/O such as sockets purchased or supplied by third parties. (b) Except for Customer's indemnification obligations stated above, Data I/O will indemnify Customer for any direct damages and costs finally awarded against Customer on the grounds that the Products manufactured by Data I/O, in the form delivered by Data I/O, or the Services, as performed by Data I/O, infringe any United States patent or copyright, provided that Customer notifies Data I/O in writing of any such claim within ten (10) days after learning thereof and that Customer fully cooperates with Data I/O and gives Data I/O full control over the defense and settlement of the claim. If any such claim is brought or appears to Data I/O to be likely to be brought, Data I/O may, at its option, replace or modify the Products or Services to make them non-infringing or refund to Customer, upon the return thereof to Data I/O, the Price paid for Products or Services at issue, less a deduction of twenty percent (20%) of the Price for each full year which has passed since the date of

delivery. Customer shall discontinue all use of any portion of the Products or Services that have been replaced or modified or for which the Price has been refunded. THE FOREGOING REPRESENTS DATA I/O'S SOLE RESPONSIBILITY, AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, FOR ANY INFRINGEMENTS OF ANY PROPRIETARY RIGHTS AND IS SUBJECT TO THE LIMITATIONS UPON DATA I/O'S LIABILITY SET FORTH IN SECTION EIGHT (8).

12. <u>Export of Products</u>. The export of any Products or other items acquired hereunder is subject to compliance with the export control laws of the United States and other jurisdictions. Customer represents and warrants that it is not subject to any order suspending, revoking or denying its export privileges and that any export of any Products or other items acquired from Data I/O will be in full compliance with all applicable United States and foreign laws, regulations and orders. Customer shall defend, indemnify and hold Data I/O, and its agents and owners, harmless from and against any and all losses, costs, penalties, liabilities, obligations, claims, duties, tariffs, demands or expenses (including without limitation, reasonable attorneys' fees) of any kind arising out of or occasioned by any export of the Products ordered hereunder. ALL WARRANTY SERVICE, UPDATING AND SUPPORT COMMITMENTS (IF ANY) MADE UNDER THIS OR ANY SEPARATE AGREEMENT ARE PREMISED ON THE USE IN THE UNITED STATES OF PRODUCTS PURCHASED AT DATA I/O'S DOMESTIC U.S. PRICES. ANY EXPORT OF SUCH PRODUCTS WILL VOID ALL SUCH WARRANTIES AND OTHER SERVICE, UPDATING OR SUPPORT OBLIGATIONS, UNLESS THE CUSTOMER PAYS TO DATA I/O, WITHIN TEN (10) DAYS FOLLOWING SUCH EXPORT, THE DIFFERENCE BETWEEN THE DOMESTIC PRICE PAID AND DATA I/O'S INTERNATIONAL PRICE FOR SUCH PRODUCTS IN THE LOCALE WHERE EXPORTED.

13. <u>Confidentiality; Proprietary Rights</u>. Data I/O's proprietary information ("Proprietary Information") includes, without limitation, all non-public ideas, intellectual properties, products, concepts, hardware, engineering data, software, financial and operating information, manufacturing processes and techniques, reports, drawings, computer data bases and other information embodied in any of the Products or Services or otherwise disclosed to Customer by Data I/O or developed or provided by Data I/O to Customer. The Proprietary Information shall also include any information obtained by Data I/O from third parties which Data I/O is obligated to protect as confidential or proprietary information. Customer promises to protect and preserve the confidentiality of all of the Proprietary Information known to Customer. Customer will not use any portion of the Proprietary Information except as may be required in connection with Customer's operation of the Products purchased from or use of the Services provided by Data I/O. No Proprietary Information, nor any disclosure, publication, or discussion thereof with or to third parties, other than employees who need to know the Proprietary Information for the purpose of utilizing the Products or Services and who have agreed to protect its confidentiality, will be permitted without express prior consent of Data I/O in each instance. Customer shall take all appropriate actions to secure the compliance by its officers, employees, agents and directors with the terms of this section. Unless otherwise specifically stated in a Statement of Work or other agreement signed by an officer of Data I/O, all ownership, copyright, patent, trade secrecy, and other rights in all deliverables, works, inventions, improvements, discoveries, processes or other properties made or conceived by or for Data I/O which relate to the Products and/or Services or deliverables, or which are developed in whole or in part through any use of Data I/O's trade secrets or Proprietary Information, shall vest in and be the sole property of Data I/O, whether or not Data I/O uses, registers, or markets the same. Customer acknowledges that Data I/O's remedies for any breach of this section may include, in addition to damages and other available remedies, injunctive relief enjoining any such breach.

14. <u>Limitation on Actions</u>. No action, regardless of form, arising out of these Terms and Conditions or the Products or Services provided by Data I/O may be brought by either party more than one (1) year after the cause of action has accrued, except that an action for non-payment of any portion of the Price or any other amounts owed to Data I/O may be brought at any time within one (1) year after the last payment thereon.

15. <u>Force Majeure</u>. Data I/O will not be in breach of its obligations hereunder if performance of such obligations is prevented, delayed or made impracticable by any cause beyond the reasonable control of Data I/O, including without limitation, acts or omissions of Customer, acts of God, acts or orders of government, terrorism, natural disasters or storms, fire, political strife, labor disputes, epidemics, pandemics, outbreaks of communicable disease, quarantines, national or regional emergencies, failure or

delay of transportation, default by suppliers or unavailability of parts. Data I/O's dates for performance will be extended for a period of time equal to the time lost due to any delay caused by a force majeure event.

16.   General. No modification or amendment will be binding on the parties unless made in a written instrument signed by both parties. No waiver of a right in any instance will constitute a waiver of the same or any other right in any other instance. Neither these Terms and Conditions nor any of Customer's rights or obligations may be assigned, delegated or otherwise transferred by Customer without the prior written consent of Data I/O. All notices and other communications hereunder shall be in writing and shall be personally delivered, sent by facsimile, overnight courier, or mailed by certified mail, return receipt requested and postage prepaid, to the other party at its address set forth in Data I/O's quotation. Notices are effective on the earlier of receipt or the third business day following the date of mailing. Any party may change its address by notice to the other party. These Terms and Conditions will be governed and construed in accordance with the laws of the State of Washington, without regard to the rules relating to conflicts of laws. Any litigation between the parties concerning these Terms and Conditions shall be brought in King County, Washington. In the event of any dispute arising hereunder the most prevailing party shall recover its reasonable attorneys' fees. If any provision of these Terms and Conditions is held to be invalid, illegal or unenforceable, such provision shall be enforced to the maximum extent permitted by law and the parties' fundamental intentions, and the remaining provisions shall not be affected.

17.   Acceptance. ACCEPTANCE OF CUSTOMER'S ORDER IS EXPRESSLY LIMITED TO CUSTOMER'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT, INCLUDING WITHOUT LIMITATION, THE AGREED ALLOCATION OF RISK REFLECTED IN THE EXCLUSIONS AND LIMITATIONS OF LIABILITY. DATA I/O OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS. NO OTHER DOCUMENTS WILL BE BINDING ON DATA I/O UNLESS SIGNED BY AN OFFICER OF DATA I/O. ANY SUCH DOCUMENTS SIGNED BY AN OFFICER OF DATA I/O SHALL CONTROL OVER THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT.